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February 25, 2014

Greg Pauley
Kentucky Power
101 A Enterprise Drive
P.O. Box 5190
Frankfort, Kentucky 40602

Dear Mr. Pauley:

I hope this letter finds you well.

The Kentucky Public Service Commission (Commission) would like to officially correspond with you regarding your recent efforts, at the Commissions' prior request,¹ to set up a meeting between Mr. Nick Akins, Chief Executive Officer (CEO) of American Electric Power, yourself as Chief Executive Officer of Kentucky Power, and the Commissioners. The purpose of the meeting, similar to regular meetings scheduled with other Generation and Transmission company Chief Executive Officers, is to discuss, on a regular basis, non-case related issues affecting Kentucky Power and its customers. A representative of the Kentucky Attorney General's Office has attended these meetings in the past and will be invited in the future.

¹ Case No. 2012-00578, *Application of Kentucky Power Company for a (1) a Certificate of Public Convenience and Necessity Authorizing the Transfer to the Company of an Undivided Fifty Percent Interest in the Mitchell Generating Station and Associated Assets; (2) Approval of the Assumption by Kentucky Power Company of Certain Liabilities in Connection with the Transfer of the Mitchell Generating Station; (3) Declaratory Rulings; (4) Deferral of Costs Incurred in Connection with the Company's Efforts to Meet Federal Clean Air Act and Related Requirements; and (5) All Other Required Approvals and Relief* (Ky. PSC Nov. 22, 2013), Hearing Video Transcript, 17:15:30–17:16:15.

Unlike the meetings with other CEO's,² the meeting with American Electric Power's CEO is not the result of a specific order. As such, the scheduling of the meetings with the American Electric Power CEO has been much less structured.

The Commission is very appreciative of your efforts to schedule a meeting during calendar year 2014 as highlighted in your January 29, 2015 answer to the Commission Staff's Second Set of Data Requests in the pending Kentucky Power General Rate Adjustment Case.³ As you know, those efforts were not successful because of the Commission's concerns about meeting with executives of utilities during the pendency of major cases. These concerns are consistent with our practices with other utilities in similar situations.

Similarly, in an effort to again attempt to schedule a meeting between the Commissioners, Staff, and American Electric Power's CEO Nick Akins, you suggested Monday, March 2, 2015, at 12:00 p.m. Unfortunately, we are again faced with the situation of having a major case pending before the Commission. Until such time as the aforementioned General Rate Adjustment Case is no longer on our docket and no other major cases are then pending before the Commission, the Commission believes it would be best to postpone this meeting.

Please be assured that once the current case is finalized and no other major case is then pending, the Commission will contact you to schedule a time for Mr. Akins and you to meet with the Commissioners and Staff. The Office of Rate Intervention of the Kentucky Attorney General's Office will also be invited at that time.

² Case No. 2001-00104, *Joint Application of E.On Ag, Powergen Plc, LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition* (Ky. PSC Aug. 6, 2001), Appendix A, p. 5, Commitment 12; and Case No. 2011-00124, *Joint Application of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc. for Approval of the Indirect Transfer of Control of Duke Energy* (Ky. PSC Aug. 2, 2011), Appendix B, pp. 4-5, Commitment 18.

³ Case No. 2014-00396, *Application of Kentucky Power Company for a General Adjustment of Its Rates for Electric Service; (2) an Order Approving its 2014 Environmental Compliance Plan; (3) an Order Approving its Tariffs and Riders; and (4) an Order Granting All Other Required Approvals and Relief*, Response to Commission Staff Second Data Request, Item No. 1, filed January 29, 2015.

Thank you for your kind attention and understanding regarding this matter.

Sincerely,



Jeff Derouen
Executive Director

cc: Jennifer Han's, Office of Rate Intervention, Kentucky Attorney General's Office
Case File 2014-00396